

PACE (PAKISTAN) LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31 MARCH 2021

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of Pace (Pakistan) Limited ("the Company") take pleasure in presenting to its shareholders the Unconsolidated Interim Financial Statements of the Company for the quarter and nine months ended March 31, 2021.

Operating Results:

During period under review, the sales of the Company amounted to Rs. 126.310 million as compared to Rs. 144.079 million of last year primarily attributable to recognition of revenue, on percentage of completion basis, pertaining to sale of floors on Pace Tower. Cost of Sales decreased from Rs. 106.172 million last year to Rs. 46.143 current year. Administrative expenses decreased by 12% to Rs. 86.979 million. Other income of the company also showed a decrease of 75% to arrive at Rs. 12.150 million as compared with Rs. 48.097 million of last year due to classification of service charges from Pace Tower to revenue. The company received an exchange gain of Rs 242.97 million on Foreign Currency Convertible Loan due to appreciation of Pak-Rupee against dollar. Finance costs during the period under review decreased from Rs. 144.401 million to Rs. 104.850 million, due to decrease in KIBOR.

As a result of aforementioned factors, the profit for the period under consideration amounted to Rs. 135.455 million as compared to loss of last year at Rs. 244.272 million, resulting in Earning Per Share (EPS) of Rs. 0.49 as compared to LPS of Rs. 0.88 in corresponding period last year.

The comparison of the financial results for the nine months ended 31st March 2021, with corresponding period of the previous financial year is as under:

	Nine Months 2021	Nine Months 2020
	Rupees in '000'	
Sales	126,310	144,079
Cost of Sales	(46,143)	(106,172)
Gross Profit	80,167	37,907
Admin & Selling Expenses	(86,979)	(99,013)
Other Income	12,150	48,097
Exchange Gain/(loss) on foreign currency convertible bond	242,970	(38,373)
Impairment loss on receivables	(6,108)	(44,188)
Finance Cost	(104,850)	(144,401)
Net profit/(loss) before tax	137,350	(239,971)
Net profit/(loss) after tax	135,455	(244,272)
Earnings/(Loss) per share (PKR)	0.49	(0.88)

The Board of Directors wishes to express its gratefulness to the shareholders for their continued support and to all their employees for their ongoing dedication and commitment to the Company.

For and on behalf of the Board of Directors

Lahore
April 27, 2021



Director



Chief Executive Officer

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2021

		Unaudited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
Note			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
600,000,000 (2019: 600,000,000)			
ordinary shares of Rs 10 each		6,000,000	6,000,000
Issued, subscribed and paid up capital			
278,876,604 (2019: 278,876,604)			
ordinary shares of Rs 10 each		2,788,766	2,788,766
Reserves		273,265	273,265
Accumulated loss		(2,329,095)	(2,464,550)
		732,936	597,481
NON-CURRENT LIABILITIES			
Long term finances - secured	8.	-	-
Redeemable capital - secured (non-participatory)	9.	-	-
Liabilities against assets subject to finance lease		142,518	136,572
Foreign currency convertible bonds - unsecured	10.	-	-
Deferred liabilities		53,412	45,934
		195,930	182,506
CURRENT LIABILITIES			
Advances against sale of property		276,616	228,256
Current portion of long term liabilities		3,715,626	3,940,406
Creditors, accrued and other liabilities		876,926	845,135
Accrued finance cost		1,264,990	1,189,058
		6,134,158	6,202,855
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		7,063,024	6,982,842

		Unaudited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
Note			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	569,484	601,264
Intangible assets		3,754	4,008
Investment property	13.	1,745,251	1,745,251
Long term investments	14.	850,321	850,321
Long term advances and deposits		13,619	13,619
Deferred taxation		-	-
		3,182,429	3,214,463
CURRENT ASSETS			
Stock-in-trade	15	2,846,572	2,821,179
Trade debts - unsecured		462,003	406,985
Advances, deposits, prepayments			
and other receivables		514,939	493,245
Income tax recoverable		29,998	23,845
Cash and bank balances		27,083	23,125
		3,880,595	3,768,379
		7,063,024	6,982,842

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director

PACE (PAKISTAN) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR QUARTER AND NINE MONTH ENDED MARCH 31,2021

Share Capital	Reserves		Accumulated Loss	Total
	Share Premium Reserve	Reserve for changes in fair value of investments		
----- (Rupees in thousand) -----				
2,788,766	273,265	-	(2,075,583)	986,448
-	-	-	(397,879)	(397,879)
-	-	-	8,912	8,912
-	-	-	(388,967)	(388,967)
-	-	-	-	-
2,788,766	273,265	-	(2,464,550)	597,481
-	-	-	-	-
-	-	-	135,455	135,455
-	-	-	135,455	135,455
2,788,766	273,265	-	(2,329,095)	732,936

The annexed notes from 1 to 22 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR QUARTER AND NINE MONTH ENDED MARCH 31,2021

		Quarter Ended		Nine month ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
		Unaudited	Unaudited	Unaudited	Unaudited
Note		(Rupees in thousand)			
Sales	16	32,473	56,220	126,310	144,079
Cost of sales	17	(13,635)	(36,047)	(46,143)	(106,172)
Gross profit		18,838	20,173	80,167	37,907
Administrative and selling expenses		(6,689)	(23,959)	(86,979)	(99,013)
Other income		8,108	24,656	12,150	48,097
Impairment loss		-	-	(6,108)	(44,188)
Exchange Gain / (loss) on foreign currency convertible bond		103,618	(194,426)	242,970	(38,373)
Profit/(Loss) from operations		123,875	(173,556)	242,200	(95,570)
Finance costs		(30,912)	(47,476)	(104,850)	(144,401)
Profit / (loss) before tax		92,963	(221,032)	137,350	(239,971)
Taxation		(206)	(2,983)	(1,895)	(4,301)
Profit / (loss) for the year		92,757	(224,015)	135,455	(244,272)
Other comprehensive income/ (loss)		-	-	-	-
Total comprehensive income / (loss) for the year		92,757	(224,015)	135,455	(244,272)
Earnings / (loss) per share attributable to ordinary shareholders					
- basic earnings / (loss) per share		0.33	(0.80)	0.49	(0.88)

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director

PACE (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR QUARTER AND NINE MONTH ENDED MARCH 31,2021

	Note	Nine month ended	
		March 31,	March 31,
		2021	2020
		Unaudited	Unaudited
		(Rupees in thousand)	
Cash flow from operating activities			
Cash (used in) / generated from operations	18	15,681	(96,073)
Finance costs paid		(78)	-
Gratuity and leave encashment paid		-	(125)
Taxes paid		(5,812)	(7,477)
Net cash used in operating activities		9,791	(103,675)
Cash flow from investing activities			
Fixed capital expenditure		(3,134)	(4,659)
Proceeds from disposal of property, plant and equipment		-	1,900
Markup received		54	37
Net cash generated from investing activities		(3,080)	(2,722)
Cash flow from financing activities			
Repayment on long term finances		-	(22,535)
Lease rental paid		(2,753)	(3,875)
Net decrease in cash and cash equivalents		3,958	(132,807)
Cash and cash equivalents at the beginning of the year		23,125	165,393
Cash and cash equivalents at the end of the year		27,083	32,586

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director

PACE (PAKISTAN) LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR QUARTER AND NINE MONTH ENDED MARCH 31, 2021 (UN-AUDITED)

1. Legal status and activities

Pace (Pakistan) Limited ('the Company') is a public limited Company incorporated in Pakistan and listed on Pakistan stock exchange. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan. The address of the registered office of the Company is 2nd floor Pace Mall, Fortress Stadium, Lahore.

Sr. No	Business Units	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg-III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg -III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Towers	27 -H College Road Gulberg II Lahore

2. Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB)
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Going concern assumption

As at the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 2,248.631 million and the reserves of the Company have been significantly depleted. The Company has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its borrowings. As a consequence, the Company has also been unable to realize its existing receivables from customers and is facing difficulties in sale of its inventory, being encumbered against its borrowings. These conditions raise significant doubts on the Company's ability to continue as a going concern.

The management of the Company however, is continuously engaged with its lenders for settlement of Company's borrowings. The Company is also expecting to complete the Pace Tower Project by the end of next financial year and is actively engaged to find buyers for the sale of remaining floors/apartments in Pace Tower. Further, the Company has inventory in form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory. The proceeds from these sales will help to improve the operating cash flows of the Company and also to settle its obligations. The Company is also engaged with its trade debtors for recovery of their outstanding balances.

The management believes that the above measures will generate sufficient financial resources for the continuing operations. Accordingly, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

4. Basis of preparation and statement of compliance

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements of the Company for the nine months ended 31 March 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2020. Comparative condensed interim unconsolidated statement of financial position is stated from annual audited financial statements as of 30 June 2020, whereas comparatives for condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and related notes are extracted from condensed interim unconsolidated financial statements of the Company for the nine months ended 31 March 2020.

These condensed interim unconsolidated financial statements are unaudited and being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial statements presented has been rounded off to the nearest rupee, except otherwise stated.

5. Use of estimates and judgments

In preparing these condensed unconsolidated interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2020.

5.1 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2020.

6. Taxation

The provision for taxation for the quarter and nine month ended March 31, 2020 has been made on an estimated basis.

7. Estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements for the period ended March 31, 2020 with the exemption of changes in estimates that are required in determining the provision for income taxes as referred to in Note 6.

		Un-Audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
	Note		
8. Long term finances - secured			
Pak Iran Loan	8.1	<u>66,860</u>	<u>66,860</u>
		66,860	66,860
Less: Current portion shown under current liabilities		<u>(66,860)</u>	<u>(66,860)</u>
		<u>-</u>	<u>-</u>

8.1 Mark-up on Pak Iran

On 28 December 2016, Pak Iran Joint Investment Company ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs 172.311 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs 105.450 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace MM Alam up till repayment of the balance outstanding amount.

In accordance with the SA, the remaining outstanding mark-up of Rs. 66.860 million has been rescheduled and is payable over a period of 7 years with nil mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly installments. Amortized cost has been determined using effective interest rate of 6% per annum. Movement is as follows:

--- (Rupees in thousand) ---		
	As at beginning	66,860
	Add: unwinding of interest	-
	As at end	66,860

Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.857 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops/counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.667 million.

		Un-Audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
	Note		
9. Redeemable capital - secured (non-participatory)			
Term finance certificates		935,571	935,571
Less: Current portion shown under current liabilities	9.1	(935,571)	(935,571)
		<u>-</u>	<u>-</u>

9.1 Term Finance Certificates

This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73 %, through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a mark-up of 6 months KIBOR plus 2% (2019: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During the previous year, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the company to appraise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

10. Foreign currency convertible bonds - unsecured

Opening balance	2,895,217	2,805,535
Markup accrued during the year	18,190	24,873
	2,913,407	2,830,408
Exchange (gain) / loss for the year	(242,970)	64,809
	2,670,437	2,895,217
Less: Current portion shown under current liabilities	(2,670,437)	(2,895,217)
	<u>-</u>	<u>-</u>

10.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into agreement that the Company issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. In aggregate USD 13 million bonds have been converted into ordinary shares as at 30 June 2019.

As the fair value calculated for the financial instrument is quite subjective and cannot be measured reliably, consequently the bonds have been carried at cost and includes accreted mark-up.

11.1 Contingencies

11.1.1 Claims against the Company not acknowledged as debts amounting to Rs 21.644 million (2020: Rs 21.644 million).

11.1.2 On 10 October 2017, Pace (Pakistan) Limited ('the Company') filed a petition against Damas (the tenant at the MM Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 66.60 million. The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial statements.

11.1.3 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs 99.888 million along with insurance premium payable amounting to Rs 88.859 million from First Capital Group shall be settled vide sale of 4.7 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs 57.962 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs 40 in case the shares are not saleable in open market. The agreement was subsequently amended on March 7, 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs 188.747 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs 57.962 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements.

11.2 Commitments

11.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited, amounts to Rs. 98.24 million (2020: Rs. 101.28 million).

11.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (2020: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Un-Audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
12	Property, plant and equipment		
Operating fixed assets	12.1	420,638	440,226
Right to use asset		126,808	129,298
Capital work-in-progress		22,038	31,740
		569,484	601,264
12.1	Operating fixed assets		
Book value at beginning of the period / year		440,226	439,657
Add:			
- Additions during the period / year		-	28,950
		-	28,950
		440,226	468,607
Less:			
- Disposals during the period / year - at book value		-	1,224
- Depreciation charged during the period / year		19,588	27,157
		19,588	28,381
Book value at end of the period / year		420,638	440,226
		Un-Audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
13.	Investment property		
Opening Fair value		1,745,251	1,668,741
Gain on initial application of IFRS 16 at period start			27,186
FV Gain on initial recognition of RTU at period start		-	38,426
FV gain recorded during the period			10,898
Closing Fair Value		1,745,251	1,745,251

		Un-Audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
14.	Long term investments		
	Equity instruments of:		
	- subsidiaries - unquoted	14.1 91,670	91,670
	- associate - unquoted	14.2 758,651	758,651
		<u>850,321</u>	<u>850,321</u>
14.1	Subsidiaries - unquoted		
	Pace Woodlands (Private) Limited		
	3,000 (June 2020: 3,000) fully paid ordinary shares of Rs 10 each	30	30
	Equity held 52% (June 2020: 52%)		
	Pace Super Mall (Private) Limited		
	9,161,528 (June 2020: 9,161,528) fully paid ordinary shares of Rs 10 each	91,615	91,615
	Equity held 57% (June 2020: 57%)		
	Pace Gujrat (Private) Limited		
	2,450 (June 2020: 2,450) fully paid ordinary shares of Rs 10 each	25	25
	Equity held 100% (June 2020: 100%)		
		<u>91,670</u>	<u>91,670</u>
14.2	Associate - unquoted		
	Pace Barka Properties Limited		
	75,875,000 (June 2020: 75,875,000) fully paid ordinary shares of Rs 10 each	758,651	758,651
	Equity held 24.9% (June 2020: 24.9%)		
15	Stock-in-trade		
	Land not under development	21,600	21,600
	Land purchased for resale	930,765	930,765
	Work in progress		
	Pace Tower	647,709	626,269
	Pace Circle	702,187	699,140
	Completed units - shops	<u>541,744</u>	<u>542,244</u>
		2,844,005	2,820,018
	Stores inventory	<u>2,567</u>	<u>1,161</u>
		2,846,572	2,821,179

		Un-Audited March 2021 (Rupees in thousand)	Un-Audited March 2020
	Note		
16	Revenue		
Development services		2,342	76,401
Display of advertisements		22,025	15,166
Service charges - net	16.1	79,037	27,041
Revenue from contract with customers		103,404	118,608
Other revenue			
Rental income from lease of investment property		22,906	25,471
Total revenue		126,310	144,079
16.1	Services charges - net		
The breakup of costs against service income recorded during the period is as follows:			
Insurance		-	798
Fuel and power		79,080	88,813
Janitorial and security charges		5,331	4,959
		84,411	94,570
17	Cost of revenue		
Shops and commercial buildings sold			
- at completion of project basis		-	-
- at percentage of completion basis		3,665	48,400
Stores and operating expenses		42,478	57,772
		46,143	106,172
18	Cash generated from operations		
Profit / (loss) before tax		137,350	(239,971)
Adjustment for:			
Exchange loss / (gain) on foreign currency convertible bonds	10	(242,970)	38,373
Provision for gratuity and leave encashment		7,479	8,823
Impairment loss on trade and other receivables		6,108	44,188
Depreciation on:			
- owned assets	12.1	19,588	19,454
- assets subject to finance lease		2,490	3,606
Amortization on intangible assets		254	383
Gain on sale of PPE			(580)
Markup income		(54)	(37)
Finance costs		104,850	144,401
Profit before working capital changes		35,095	18,640
Effect on cash flow due to working capital changes:			
(Increase) in stock-in-trade		(25,393)	(17,082)
Decrease / (increase) in trade debts		(47,546)	(64,172)
(Increase) / Decrease in advances, deposits and other receivables		(21,694)	(59,457)
Net (decrease) / increase in contract liability		48,360	51,851
Increase in creditors, accrued and other liabilities		26,859	(25,853)
		(19,414)	(114,713)
		15,681	(96,073)

21. Date of authorization

These financial statements were authorized for issue on _____, 2021 by the board of directors of the Company.

22. Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made.

Chief Executive

Chief Financial Officer

Director

19 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		31 March 2021 (Un-audited)					
		Carrying amount			Fair value		
		Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
Note		----- (Rupees in thousand) -----					
Financial instruments							
31 March 2021							
Financial assets not measured at fair value							
		13,619	-	13,619	-	-	-
		462,003	-	462,003	-	-	-
		164,198	-	164,198	-	-	-
		27,083	-	27,083	-	-	-
23.2		639,820	-	639,820	-	-	-
Financial liabilities not measured at fair value							
		-	66,860	66,860	-	-	-
		-	935,571	935,571	-	-	-
		-	142,518	142,518	-	-	-
		-	2,670,437	2,670,437	-	-	-
		-	876,926	876,926	-	-	-
		-	1,264,990	1,264,990	-	-	-
23.2		-	5,957,302	5,957,302	-	-	-

PACE (PAKISTAN) GROUP
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2021

		March 31, 2021	June 30, 2020
		Un-audited	Audited
Note		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		6,000,000	6,000,000
600,000,000 (June 30, 2020: 600,000,000) ordinary shares of Rs 10 each			
Issued, subscribed and paid up capital			
278,876,604 (June 30, 2020: 278,876,604) ordinary shares of Rs 10 each		2,788,766	2,788,766
Reserves		287,307	287,307
Accumulated loss		(1,994,448)	(2,102,467)
		1,081,625	973,606
		87,030	87,030
		1,168,654	1,060,636
NON-CONTROLLING INTEREST			
NON-CURRENT LIABILITIES			
Long term finances - secured	6	-	-
Redeemable capital - secured (non-participatory)	7	-	-
Liabilities against assets subject to finance lease		142,518	136,572
Foreign currency convertible bonds - unsecured	8	-	-
Deferred liabilities		53,412	45,934
Deferred Taxation		40,718	45,560
		236,648	228,066
CURRENT LIABILITIES			
Contract Liability		277,616	229,256
Current portion of long term liabilities		3,715,626	3,940,406
Trade and other payables	9	913,976	882,185
Accrued finance cost		1,264,990	1,189,058
		6,172,208	6,240,905
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		7,577,511	7,529,607

		March 31, 2021	June 30, 2020
		Un-audited	Audited
Note		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	569,484	601,264
Intangible assets		3,754	4,008
Investment property		1,745,251	1,745,251
Investments		1,030,103	1,062,381
Long term advances and deposits		15,248	15,248
		3,363,840	3,428,152
CURRENT ASSETS			
Stock-in-trade	11	3,179,572	3,154,179
Trade debts - unsecured		462,003	406,985
Advances, deposits, prepayments and other receivables		514,938	493,245
Income tax recoverable		30,052	23,898
Cash and bank balances		27,106	23,148
		4,213,671	4,101,455
		7,577,511	7,529,607

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director

Pace (Pakistan) Limited
Consolidated Statement of Changes In Equity
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	Capital reserve			Revenue reserve	Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total equity	
Issued, subscribed and paid-up capital	Share premium	Reserve for changes in fair value of investments	Share in reserves of associate	Accumulated loss				
(Rupees in thousand)								
Balance as at 30 June 2019	2,788,766	273,265	-	14,042	(1,682,343)	1,393,730	87,030	1,480,760
<u>Total comprehensive loss for the year ended</u>								
Loss after taxation	-	-	-	-	(428,557)	(428,557)	-	(428,557)
Other comprehensive income	-	-	-	-	8,433	8,433	-	8,433
	-	-	-	-	(420,124)	(420,124)	-	(420,124)
Balance as at 30 June 2020	2,788,766	273,265	-	14,042	(2,102,467)	973,606	87,030	1,060,636
<u>Total comprehensive loss for the period</u>								
Loss after taxation	-	-	-	-	108,019	108,019	-	108,019
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	108,019	108,019	-	108,019
Balance as at 31 March 2021	2,788,766	273,265	-	14,042	(1,994,448)	1,081,625	87,030	1,168,654

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

PACE (PAKISTAN) GROUP
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	Note	Quarter ended		Nine months ended	
		March 31, 2021 Un-audited	March 31, 2020 Un-audited	March 31, 2021 Un-audited	March 31, 2020 Un-audited
		(Rupees in thousand)			
Sales	12	32,473	56,220	126,310	144,079
Cost of sales	13	(13,635)	(36,047)	(46,143)	(106,172)
Gross Profit		18,838	20,173	80,167	37,907
Administrative and selling expenses		(6,689)	(23,959)	(86,979)	(99,013)
Other income		8,108	24,656	12,150	48,097
Exchange loss on foreign currency convertible bonds		103,618	(194,426)	242,970	(38,373)
Impairment loss on trade and other receivables □		-	-	(6,108)	(44,188)
Finance costs		(30,912)	(47,476)	(104,850)	(144,401)
Share of profit / (loss) for associate - net of tax		(15,397)	(2,763)	(32,278)	(2,022)
Loss before tax		77,566	(223,795)	105,072	(241,993)
Taxation		2,103	(2,568)	2,947	(3,997)
Loss for the period		79,669	(226,363)	108,019	(245,990)
Other comprehensive income / (loss)					
Total comprehensive profit / (loss) for the period		79,669	(226,363)	108,019	(245,990)
Attributable to:					
Equity holders of the parent		79,669	(226,363)	108,019	(245,990)
Non-controlling interest		-	-	-	-
		79,669	(226,363)	108,019	(245,990)
Loss per share attributable to ordinary shareholders					
- basic		0.29	(0.81)	0.39	(0.88)

The annexed notes 1 to 18 form an integral part of this condensed interim financial information

Chief Executive

Chief Financial Officer

Director

PACE (PAKISTAN) GROUP
COSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

	Note	Nine months ended	
		March 31,	March 31,
		2021	2020
		Un-audited	Un-audited
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	14	15,681	(96,073)
Gratuity and leave encashment paid		-	(125)
Finance cost paid		(78)	-
Taxes paid		(5,812)	(7,477)
Net cash generated from operating activities		9,791	(103,675)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,134)	(4,659)
Receipts of sale of investment property		-	1,900
Markup received		54	37
Net cash used in investing activities		(3,080)	(2,722)
Cash flows from financing activities			
Long term loan paid during the period		-	(22,535)
Lease rentals paid		(2,753)	(3,875)
Net (decrease) / increase in cash and cash equivalents		3,958	(132,807)
Cash and cash equivalents at beginning of the period		23,148	165,416
Cash and cash equivalents at the end of the period		27,106	32,609

The annexed notes 1 to 18 form an integral part of this condensed interim financial information

Chief Executive

Chief Financial Officer

Director

PACE (PAKISTAN) GROUP
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2021

1. Legal status and activities

1.1 Constitution and ownership

The consolidated financial statements of Pace (Pakistan) Group comprise of the financial statements of:

Pace (Pakistan) Limited

Pace (Pakistan) Limited (the "Holding Company") is a public limited Company incorporated in Pakistan and listed on Pakistan stock exchange. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan. The address of the registered office of the holding Company is 2nd floor Pace Mall, Fortress Stadium, Lahore.

Pace Gujrat (Private) Limited

Pace Gujrat (Private) Limited (a subsidiary) was incorporated on July 8, 2005 as a private limited Company under Companies Ordinance, 1984. The object of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc. It is a wholly owned Company of Pace (Pakistan) Limited.

Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary) was incorporated on July 27, 2004 as a private limited Company under Companies Ordinance, 1984. The object of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

Pace Supermall (Private) Limited

Pace Supermall (Private) Limited (a subsidiary) was incorporated on March 27, 2003 as a private limited Company under Companies Ordinance 1984. The object of the company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

Activities of the Group

The object of the Group is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

1.2 Going concern assumption

As at the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 1953.605 million and the reserves of the Company have been significantly depleted. The Company has not been able to meet various obligations towards its lenders, including repayment of principal and markup thereon in respect of its borrowings. As a consequence, the Company has also been unable to realize its existing receivables from customers and is facing difficulties in sale of its inventory, being encumbered against its borrowings. These conditions raise significant doubts on the Company's ability to continue as a going concern.

The management of the Company however, is continuously engaged with its lenders for settlement of Company's borrowings. The Company is also expecting to complete the Pace Tower Project by the end of next financial year and is actively engaged to find buyers for the sale of remaining floors/apartments in Pace Tower. Further, the Company has inventory in form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory. The proceeds from these sales will help to improve the operating cash flows of the Company and also to settle its obligations. The Company is also engaged with its trade debtors for recovery of their outstanding balances.

The management believes that the above measures will generate sufficient financial resources for the continuing operations. Accordingly, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2 Basis of preparation and statement of compliance

These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 31 March 2021 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows together with the notes forming part thereof.

These condensed interim consolidated financial statements of the Company for the nine months ended 31 March 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 30 June 2020. Comparative condensed interim consolidated statement of financial position is stated from annual audited financial statements as of 30 June 2020, whereas comparatives for condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows and related notes are extracted from condensed interim consolidated financial statements of the Company for the nine months ended 31 March 2020.

These condensed interim consolidated financial statements are unaudited and being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim consolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial statements presented has been rounded off to the nearest rupee, except otherwise stated.

3 Use of estimates and judgments

In preparing these condensed consolidated interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited consolidated financial statements for the year ended 30 June 2020.

3.1 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim consolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2020.

4 Taxation

The provision for taxation for the quarter ended and nine months ended March 31, 2021 has been recognized based on minimum tax.

5 Use of estimates and judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements for the period ended March 31, 2020 with the exemption of changes in estimates that are required in determining the provision for income taxes as referred to in Note 4.

		Un-audited March 31, 2021	Audited June 30, 2020
	Note	(Rupees in thousand)	
6 Long term finances - secured			
Pak Iran Loan	6.1	66,860	66,860
		66,860	66,860
Less: Current portion shown under current liabilities		(66,860)	(66,860)
		-	-

6.1 On 28 December 2016, Pak Iran Joint Investment Company ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs 172.311 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs 105.450 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace MM Alam up till repayment of the balance outstanding amount.

6.1.1 In accordance with the SA, the remaining outstanding mark-up of Rs. 66.860 million has been rescheduled and is payable over a period of 7 years with nil mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly installments. Amortized cost has been determined using effective interest rate of 6% per annum.

	--- (Rupees in thousand) ---	
As at beginning	66,860	66,860
Add: unwinding of interest	-	-
As at end	66,860	66,860

Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.857 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops/counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.667 million.

		Un-audited March 31, 2021	Audited June 30, 2020
		(Rupees in thousand)	
7 Redeemable capital - secured (non-participatory)			
Term Finance certificates		935,571	935,571
Less: Current portion shown under current liabilities	- note 7.1	(935,571)	(935,571)
		-	-

7.1 This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73 %, through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a mark-up of 6 months KIBOR plus 2% (2019: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During the previous year, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the company to appraise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

	Un-audited March 31, 2021	Audited June 30, 2020
	(Rupees in thousand)	
8 Foreign currency convertible bonds - unsecured		
Opening balance	2,895,217	2,805,535
Markup accrued for the period / year	18,190	24,873
	2,913,407	2,830,408
Exchange loss / (gain) for the period / year	(242,970)	64,809
	2,670,437	2,895,217
Less: Current portion shown under current liabilities	(2,670,437)	(2,895,217)
	-	-

8.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into agreement that the Company issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. In aggregate USD 13 million bonds have been converted into ordinary shares as at 30 June 2019.

As the fair value calculated for the financial instrument is quite subjective and cannot be measured reliably, consequently the bonds have been carried at cost and includes accreted mark-up.

9 Contingencies and commitments

9.1 Contingencies

9.1.1 Claims against the Company not acknowledged as debts amounting to Rs 21.644 million (2020: Rs 21.644 million).

9.1.2 On 10 October 2017, Pace (Pakistan) Limited ('the Company') filed a petition against Damas (the tenant at the MM Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 66.60 million.

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial statements.

9.1.3 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs 99.888 million along with insurance premium payable amounting to Rs 88.859 million from First Capital Group shall be settled vide sale of 4.7 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs 57.962 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs 40 in case the shares are not saleable in open market. The agreement was subsequently amended on March 7, 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs 188.747 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs 57.962 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements.

9.2 Commitments

9.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited, amounts to Rs. 98.24 million (2020: Rs. 101.28 million).

9.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (2020: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Un-Audited March 31, 2021	Audited June 30, 2020
		(Rupees in thousand)	
10. Property, plant and equipment			
Operating fixed assets	10.1	420,638	440,226
Right of use assets		126,808	129,298
Capital work-in-progress		22,038	31,740
		569,484	601,264
10.1 Operating fixed assets			
Net book value at beginning of the period		440,226	439,657
Additions during the period		-	28,950
Disposals during the period		-	(1,224)
Depreciation charged during the period		(19,588)	(27,157)
		420,638	440,226

	Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
11 Stock-in-trade		
Land purchased for resale	930,765	930,765
Work in process		
- Pace Tower	647,709	626,269
- Pace Circle	702,187	699,140
- Pace Supermall	354,600	354,600
Completed units - shops and houses	<u>541,744</u>	<u>542,244</u>
	3,177,005	3,153,018
Stores inventory	<u>2,567</u>	<u>1,161</u>
	<u>3,179,572</u>	<u>3,154,179</u>
	Un-audited 31 March 2021	Un-audited 31 March 2020
	(Rupees in thousand)	
12 Sales		
Development services	2,342	76,401
Display of advertisements	22,025	15,166
Service charges - net	79,037	27,041
	12.1	
Revenue from contract with customers	103,404	118,608
Other revenue		
Rental income from lease of investment property	22,906	25,471
Total revenue	126,310	144,079
12.1 Services charges - net		
The breakup of costs against service income recorded during the period is as follows:		
Insurance	-	798
Fuel and power	79,080	88,813
Janitorial and security charges	5,331	4,959
	84,411	94,570
13 Cost of sales		
Shops and commercial buildings sold		
- at completion of project basis	-	-
- at percentage of completion basis	3,665	48,400
Stores operating expenses	<u>42,478</u>	<u>57,772</u>
	46,143	106,172

14 Cash generated from operations

	Un-audited 31 March 2021	Un-audited 31 March 2020
	(Rupees in thousand)	
Profit/(loss) before tax	105,072	(241,993)
Adjustments for:		
- Depreciation on property, plant and equipment	22,078	23,060
- Amortisation on intangible assets	254	383
- Gain on sale of property		(580)
- Share of Loss / profit of associate	32,278	2,022
- Markup income	(54)	(37)
- Finance cost	104,850	144,401
- Impairment loss trade debts		44,188
- Change in FV of investment property		-
- Exchange loss on foreign currency convertible bonds	(242,970)	38,373
- Impairment of inventory (write down)	6,108	-
- Provision for gratuity and leave encashment	<u>7,479</u>	<u>8,823</u>
Loss before working capital changes	35,095	18,640
Effect on cash flow due to working capital changes		
- Decrease/(Increase) in stock-in-trade	(25,393)	(17,082)
- (Increase)/Decrease in trade debts	(52,478)	(65,430)
- Decrease/(Increase) in advances, deposits prepayments and other receivables	(21,694)	(58,199)
- Increase/ (Decrease) in advances against sale of property	48,360	51,851
- (Decrease)/ Increase in creditors, accrued and other liabilities	<u>31,791</u>	<u>(25,853)</u>
	(19,414)	(114,713)
Cash generated from operations	<u><u>15,681</u></u>	<u><u>(96,073)</u></u>

18 Date of authorisation for issue

This condensed interim financial information was authorised for issue on April __, 2021 by the Board of Directors of the Group.

Chief Executive

Chief Financial Officer

Director

15 Transactions with related parties

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. All transactions with related parties have been carried out on mutually agreed terms and conditions. Significant transactions with related parties are as follows:

Name of Company	Relationship	Nature of transactions	March 2021 --- (Rupees in thousand) ---	March 2020
Pace Barka Properties Limited	Associated Company (equity held 24.86%)	Guarantee commission income	928	928
		Rental income	3,348	3,401
Ever Green Water Valley (Private) Limited	Common Directorship	Advance paid against purchsase of Shadman plot	4,503	22,422
		Advance against Construction of Pace Towers	14,265	77,253
Media Times Limited	Common Directorship	Rental Income	-	11,672
		Advertisement expenses	3,000	334
Rema and Shehrbano	Common Directorship	Service charges	2,028	1,511
Conatural	Common Directorship	Service charges	441	685
Post Employment Benefit Plans		Gratuity and leave encashment	7,479	8,588

All transactions with related parties have been carried out on mutually agreed terms and conditions.

16 Fair value measurement of financial instruments

16.1 The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value

		31 March 2021 (Un-audited)					
		Carrying amount		Fair value			
		Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	Note	----- Rupees -----					
Financial instruments							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		15,248	-	15,248	-	-	-
Trade debts - unsecured		462,003	-	462,003	-	-	-
Advances, deposits, prepayments and other receivables		164,198	-	164,198	-	-	-
Cash and bank balances		27,106	-	27,106	-	-	-
		668,555	-	668,555	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	935,571	935,571	-	-	-
Liabilities against assets subject to finance lease		-	42,758	42,758	-	-	-
Foreign currency convertible bonds - unsecured		-	2,670,437	2,670,437	-	-	-
Trade and other payables		-	913,976	913,976	-	-	-
Accrued finance cost		-	1,264,990	1,264,990	-	-	-
		-	5,894,592	5,894,592	-	-	-

16.2 Fair value measurement of financial instruments

		30 June 2020 (Audited)					
		Carrying amount		Fair value			
		Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	Note	----- Rupees -----					
Financial instruments							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		15,248	-	15,248	-	-	-
Trade debts - unsecured		406,985	-	406,985	-	-	-
Advances, deposits, prepayments and other receivables		150,008	-	150,008	-	-	-
Cash and bank balances		23,148	-	23,148	-	-	-
	16.3	595,389	-	595,389	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	935,571	935,571	-	-	-
Liabilities against assets subject to finance lease		-	42,758	42,758	-	-	-
Foreign currency convertible bonds - unsecured		-	2,895,217	2,895,217	-	-	-
Trade and other payables		-	882,185	882,185	-	-	-
Accrued finance cost		-	1,189,058	1,189,058	-	-	-
	16.3	-	6,011,649	6,011,649	-	-	-

16.3 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

17 Segment information

	Real estate sales				Investment Properties				Others				Total			
	Quarter ended		Nine month ended		Quarter ended		Nine month ended		Quarter ended		Nine month ended		Quarter ended		Nine month ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees in thousands															
Segment revenue	-	32,270	2,342	78,031	7,363	8,445	22,906	29,702	25,110	15,505	101,062	36,346	32,473	56,220	126,310	144,079
Segment expenses																
- Cost of sales	-	(10,037)	(856)	(41,625)	(3,092)	(9,172)	(8,368)	(29,027)	(10,543)	(16,838)	(36,920)	(35,521)	(13,635)	(36,047)	(46,143)	(106,172)
Gross (loss) / profit	-	22,233	1,486	36,406	4,271	(726)	14,538	675	14,567	(1,334)	64,142	826	18,838	20,173	80,167	37,907
Segment results	-	22,233	1,486	36,406	4,271	(726)	14,538	675	14,567	(1,334)	64,142	826	18,838	20,173	80,167	37,907
Administrative and selling expenses													(6,689)	(23,959)	(86,979)	(99,013)
Other operating income													8,108	24,656	12,150	48,097
Finance costs													(30,912)	(47,476)	(104,850)	(144,401)
Other operating expenses													103,618	(194,426)	242,970	(38,373)
Impairment Loss on trade debts													-	-	(6,108)	(44,188)
Share of Profit of associates													(15,397)	(2,763)	(32,278)	(2,022)
Profit/Loss before tax													77,566	(223,795)	105,072	(241,993)
Taxation																
- Group													2,103	(2,568)	2,947	(3,997)
Profit/Loss for the period													79,669	(226,363)	108,019	(245,990)